

Message Text

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FM AMEMBASSY CAIRO

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EXDIS

JERUSALEM FOR SECRETARY'S PARTY

E.O. 11652: GDS

TAGS: PFOR, ENRG, EG, IS

SUBJECT: AMOCO OPERATIONS IN GULF OF SUEZ

REF: CAIRO 8523

TEXT OF AMOCO LETTER TO AMBASSADOR (REFTEL) IS AS FOLLOWS:

QUOTE

DEAR SIR:

RE: ISRAELI INTERVENTION

FOLLOWING THE INTERCEPTION OF A U.S. VESSEL BY AN ISRAELI GUNBOAT
ON AUGUST 17, 1975 UNDER CONTRACT TO OUR COMPANY WORKING IN
EGYPTIAN WATER, THIS OFFICE REPORTED THE INCIDENT TO THE UNITED
STATES EMBASSY INCAIRO. WE HAD RECEIVED TELEX COMMUNICATION
FROM OUR OPERATIONS BASE AT RAS SHUKHEIR OUTLINING THE ACCOUNT OF
THE INTERCEPTION OF OUR VESSEL BY THE ISRAELI SHIP, THE THREATS OF
DESTRUCTION TO OUR VESSEL SHOULD IT RETURN AND WE SUBMITTED A
COPY OF THIS TELEX TO THE U.S. EMBASSY.

AT THE REQUEST OF THE U.S. EMBASSY WE BROUGHT THE U.S. SHIP'S
LOG SIGNED BY ITS AMERICAN CAPTAIN TO VERIFY THE RECORD OF THE
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INTERCEPTION BY THE ISRAELI SHIP. DURING ALL OF OUR OFFICE'S

DISCUSSIONS WITH THE U.S. EMBASSY THE IMPORTANCE OF RESOLVING THE MATTER QUICKLY WAS STRESSED BECAUSE OF THE FINANCIAL LOSSES OUR COMPANY WOULD SUFFER DUE TO DELAYS IN OUR OPERATIONS CAUSED BY ISRAELI INTERVENTION IN THE POSITIONING OF OUR DRILLSHIPS IN EGYPTIAN WATERS.

OUR OFFICE HAS STATED TO THE U.S. EMBASSY THAT NOT ONLY WILL OUR COMPANY HAVE TO PAY FORTY THOUSAND DOLLARS (DOLS 40,000.00) PER DAY PER DRILLSHIP THAT IS IDLE, BUT ALSO THAT BY BEING FORCED BY ISRAELI GUNBOATS TO DRILL LESS FAVORABLE PROSPECTS IN EGYPTIAN WATER WITH FAR LESS CHANCE OF SUCCESS WILL COST OUR COMPANY APPROXIMATELY FOUR MILLION DOLLARS (DOLS 4,000,000.00) PER WELL DRILLED TO NO SUCCESS. OUR COMPANY, DUE TO THE ABOVE MENTIONED INTERVENTION BY ISRAEL, HAS ALREADY HAD DELAYS AND HAS HAD TO MOVE TO A DRILLING LOCATION OUR COMPANY DEEMS LESS FAVORABLE. AS HAS BEEN RELATED TO THE U.S. EMBASSY OUR COMPANY IS IN THE MIDST OF AN EXTENSIVE PROGRAM OF DRILLING IN EGYPTIAN WATERS AND AS WE HAVE ALSO STATED WE HAVE PLANS TO MOVE TWO OTHER DRILLSHIPS ALREADY OPERATING IN EGYPTIAN WATERS TO NEW LOCATIONS, AND IF PREVENTED TO MOVE INTO THE AREA WILL COST US FOURTY THOUSAND DOLLARS (DOLS 40,000.00) PER DAY PER VESSEL.

MR. AMBASSADOR, WE ARE PUTTING THE U.S. EMBASSY ON NOTICE THAT WE WILL NOT SUFFER FURTHER THE ECONOMIC LOSSES AND CONSEQUENCES DUE TO OUR SHIPS NOT WORKING OR DRILLING POORER QUALITY PROSPECTS. OUR COMPANY INTENDS TO MOVE ITS DRILLSHIPS IN EGYPTIAN WATERS ON LOCATIONS WE DEEM PROSPECTIVE WITHIN ONE WEEK.

OUR COMPANY INTENDS TO SEND UNITED STATES REGISTERED VESSELS TO CONTINUE LEGAL WORK IN EGYPTIAN WATERS TO EXPLORE FOR PETROLEUM. MR. AMBASSADOR, AFTER PROVIDING THE U.S. EMBASSY WITH THE FACTS AS PRESENTED TO OUR OFFICE WE WERE CONFRONTED WITH ALLEGATIONS FROM ISRAELI VIEWPOINTS THAT CONTRADICTED OUR REPORT TO THE U.S. EMBASSY. OUR COMPANY'S CONTRACTORS ARE ENGAGED IN VERY ACCURATE AND EXPERT LOCATION AND DRILLING OF PROSPECTIVE OIL BEARING STRUCTURES. SINCE THE ACCURACY OF THEIR AND OUR COMPANY'S LOCATION ARE CRUCIAL TO OUR OPERATIONS NEITHER OUR CONTRACTORS NOR WE WOULD BE IN ERROR OF THE MAGNITUDE ALLEGED BY THE ISRAELIS.

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IT HAS NOW RECENTLY BEEN ALLEGED BY THE ISRAELIS THAT EGYPTIAN VESSELS HAD ACCOMPANIED THE U.S. VESSEL EMPLOYED BY OUR COMPANY WHEN THE INTERCEPTION WAS MADE AUGUST 17, 1975. THERE IS NO NOTATION IN THE CAPTAIN'S LOG AND IN FACT THERE WERE NO EGYPTIAN VESSELS ACCOMPANYING THE U.S. VESSEL WHICH HAD ONLY BEEN SENT TO DROP BUOYS TO MARK THE LOCATION FOR THE DRILLSHIP WHICH WAS PREPARED TO MOE OVER THE PROSPECT AND BEGIN DRILLING. HOWEVER, IN ALL OF OUR OPERATIONS IN EGYPTIAN

WTERS OUR COMPANY HAS SINCE 1964 USED EGYPTIAN VESSELS IN ITS
OPERATIONS IN SUPPORT OF OUR OPERATIONS AND WE WILL CONTINUE TO
USE THESE EGYPTIAN VESSELS IN SUPPORT OF OUR FUTURE OPERATIONS
IN EGYPTIAN WATERS.

AS HAVE ADVISED IN THIS LETTER WE INTEND TO SEND U.S. VESSELS
INTO OTHER EGYPTIAN WATERS IN THE NEAR FUTURE AND THESE VESSELS
WILL BE SUPPORTED BY ALL VESSELS AND AIRCRAFT UNDER CONTRACT TO
US AS HAS BEEN THE PRECEDENT FOR MANY YEARS.

VERY TRULY YOURS, AMOCO EGYPT OIL COMPANY, A.D. CAMPBELL,
VICE PRESIDENT. END QUOTE.

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